



## **KDOT BUDGET OVERVIEW**

Calvin Reed P.E., Acting Secretary

**Kansas Department of Transportation**

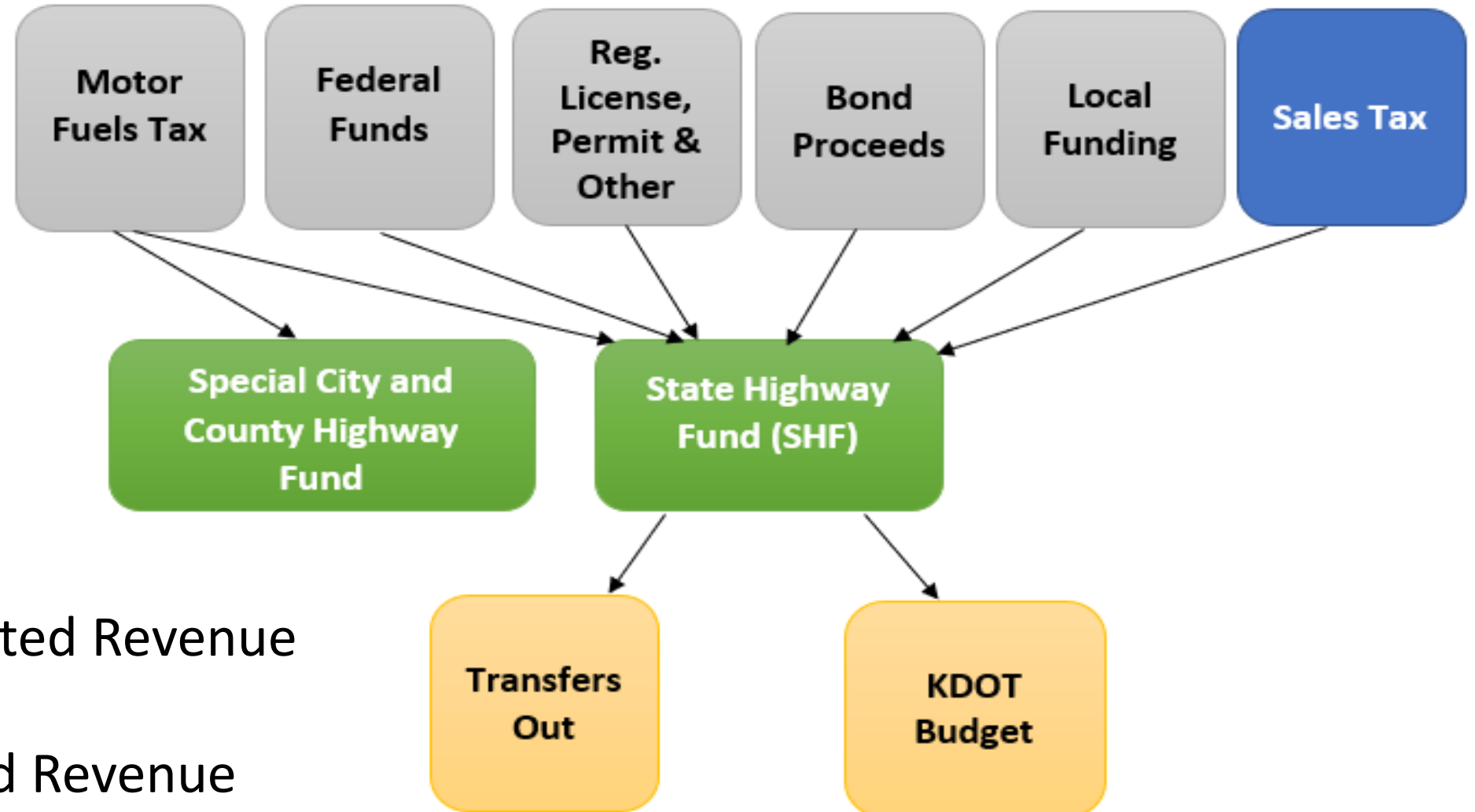
# Agenda

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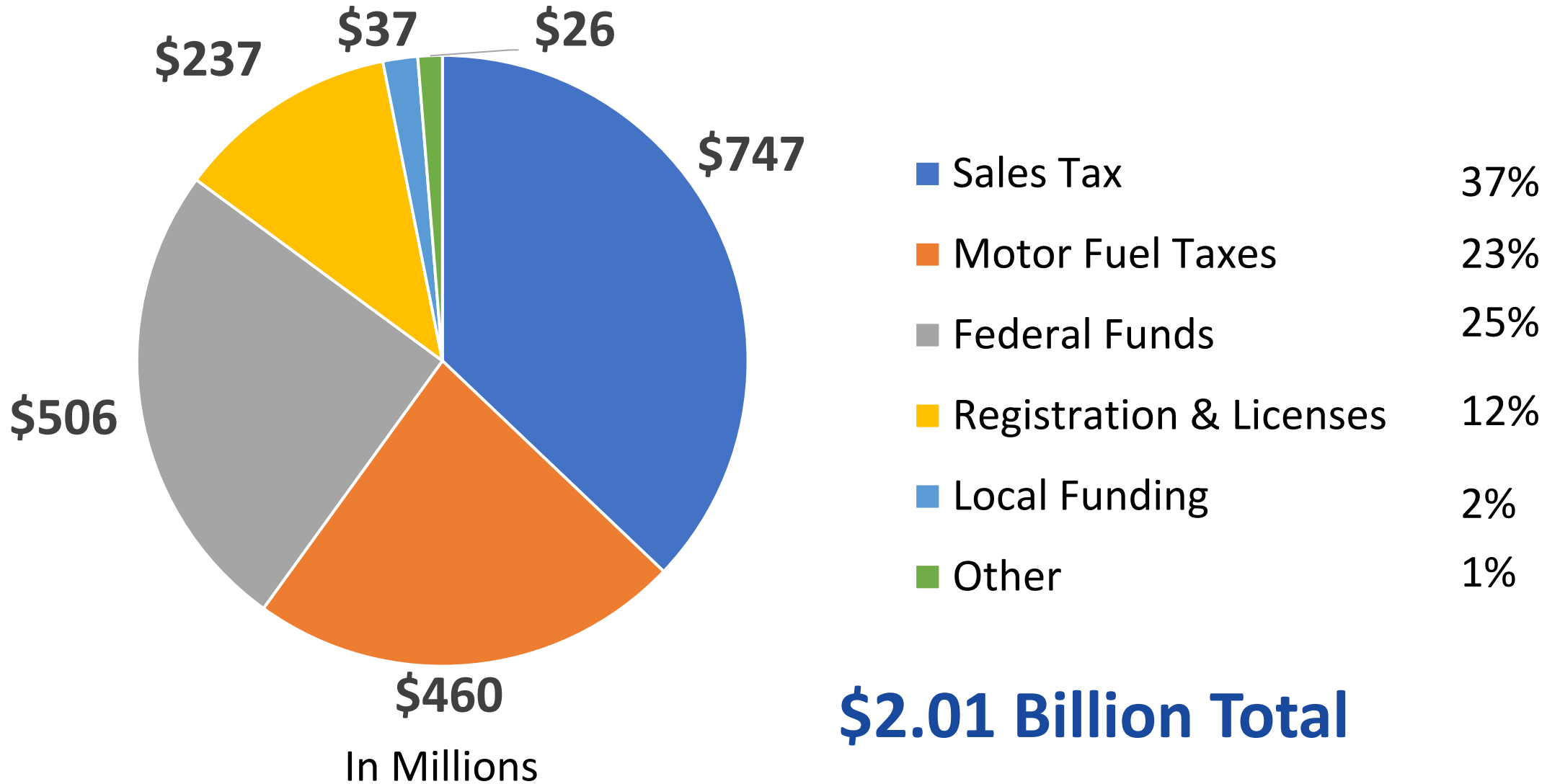
- Kicking it off
- State Highway Fund Revenues
- Expenditures
- Program updates
- Performance metrics

# How does Kansas fund transportation?

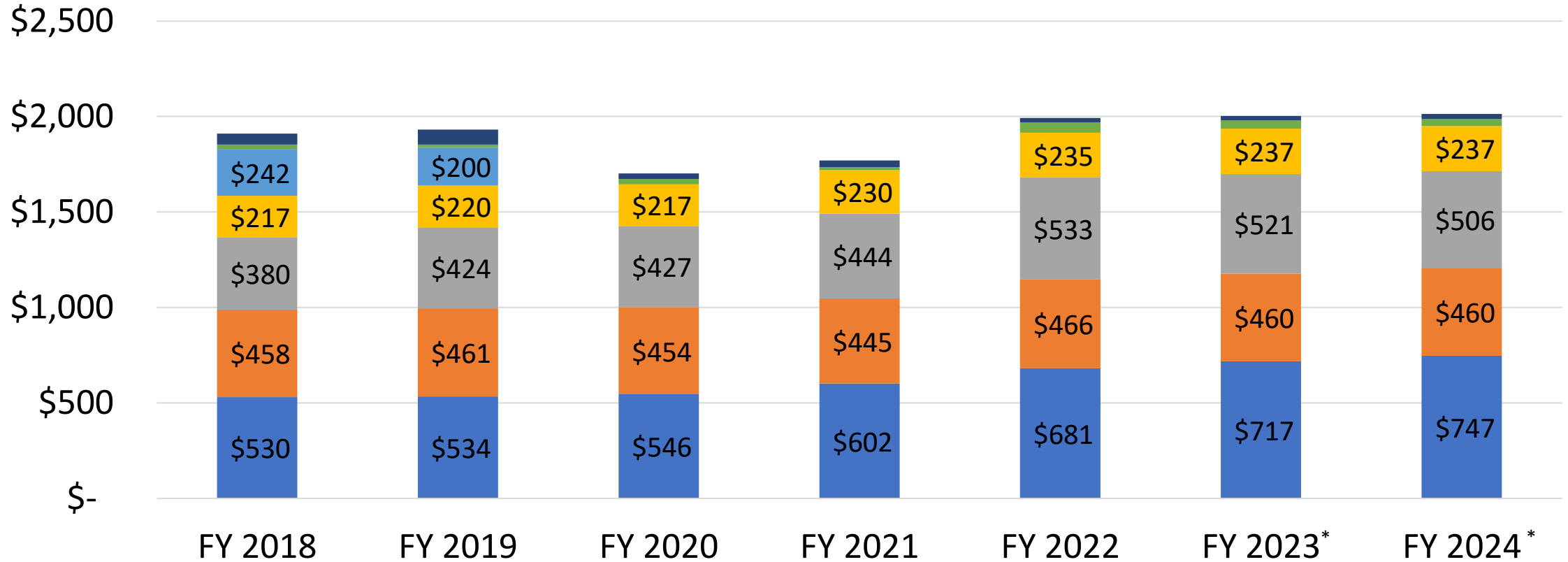
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# FY 2024 Revenue Sources – All Funds



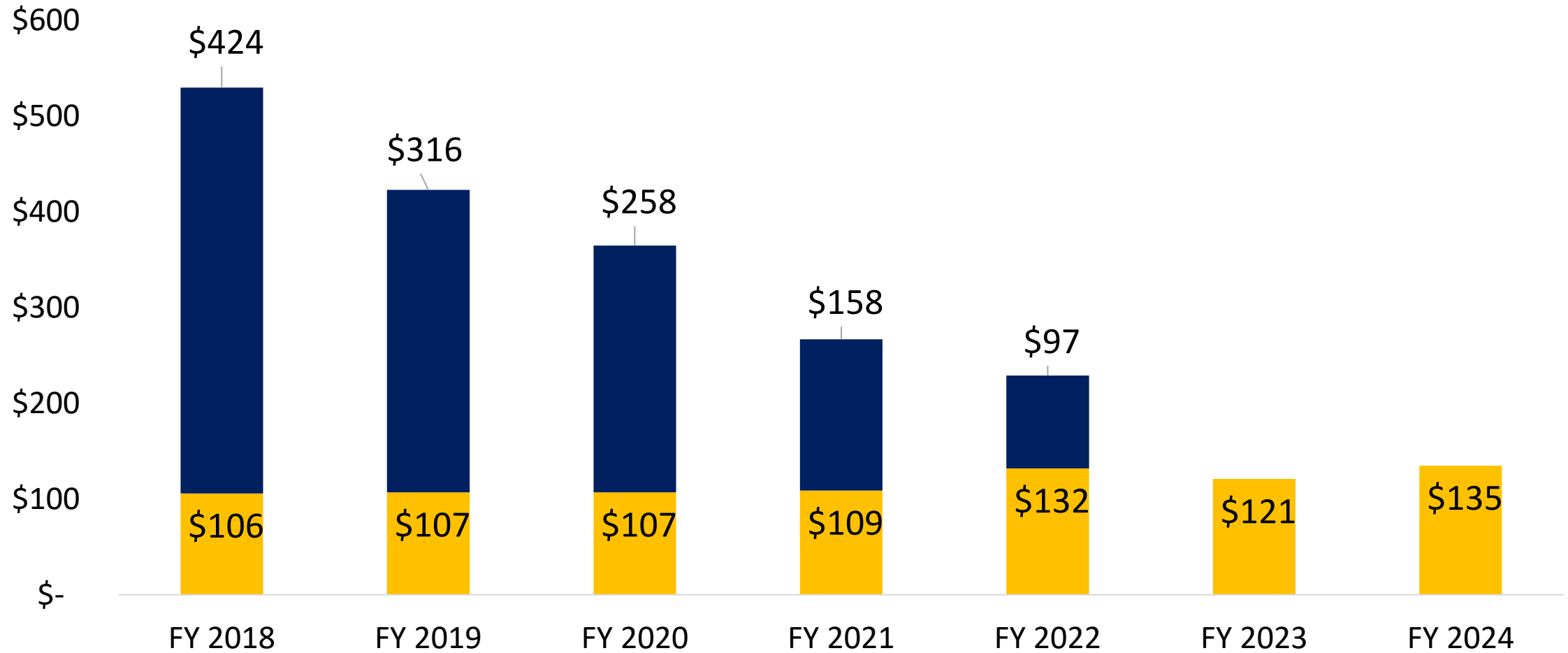
# Revenue Sources - Historical



*In Millions*

- Sales Tax
- Motor Fuel Taxes
- Federal Funds
- Registration & Licenses
- Bond Proceeds
- Local Funding
- Other

# State Highway Fund Transfers – FY 18 to FY 24



*In Millions*

■ Ordinary Transfers    ■ Extraordinary Transfers

# State Highway Fund Transfers – FY 2024 Gov Rec

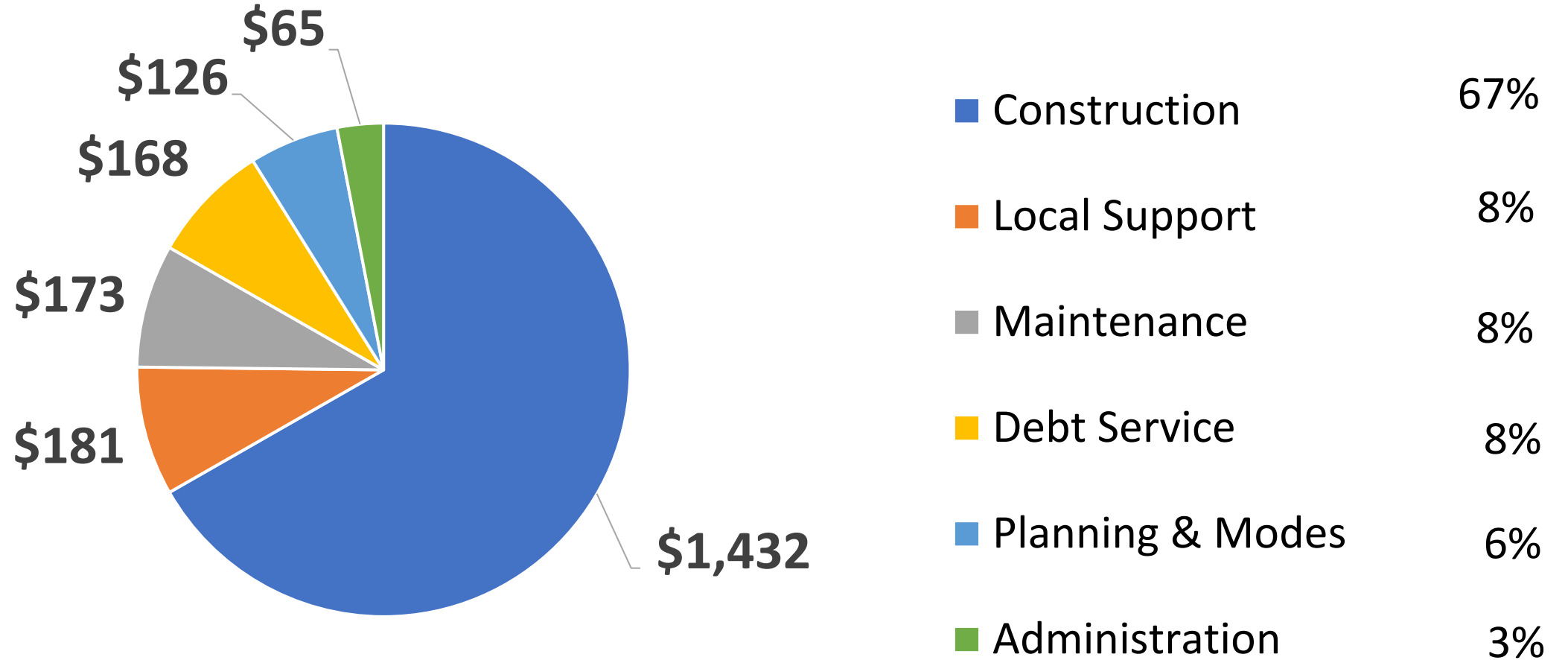
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## Ordinary or Historically Routine Transfers:

<u>Receiving Agency</u>	<u>Purpose</u>	<u>FY 2024</u>
Department of Administration	Overhead Payments/Purchasing	\$ 210,000
Kansas Highway Patrol	KHP Operations	64,333,161
Kansas Highway Patrol	Aircraft Maintenance	2,800,000
Department of Agriculture	Water Structures	128,379
Department of Education	School Bus Safety Fund	325,000
Wildlife, Parks, and Tourism	Access Roads & Bridge Maintenance	3,602,545
Department of Revenue	License Plate Replacement Fund	12,625,000
Department of Revenue	Division of Vehicles Operating Fund	<u>50,546,900</u>
<b>Total—Ordinary Transfers</b>		<b>\$ 134,570,985</b>

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# FY 2024 Expenditures by Program – All Funds



In Millions

**\$2.15 Billion Total**



# Budget Structure

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## KDOT Budget

### Limited

Agency Operations -

- Salaries & Wages
- Contractual Services
- Commodities
- Capital Outlay

**Fixed Total/Cap**

**Some ability to shift funds from category to category based on needs throughout the year, changes included in Revised Budget**

### “Unlimited”

Projects-

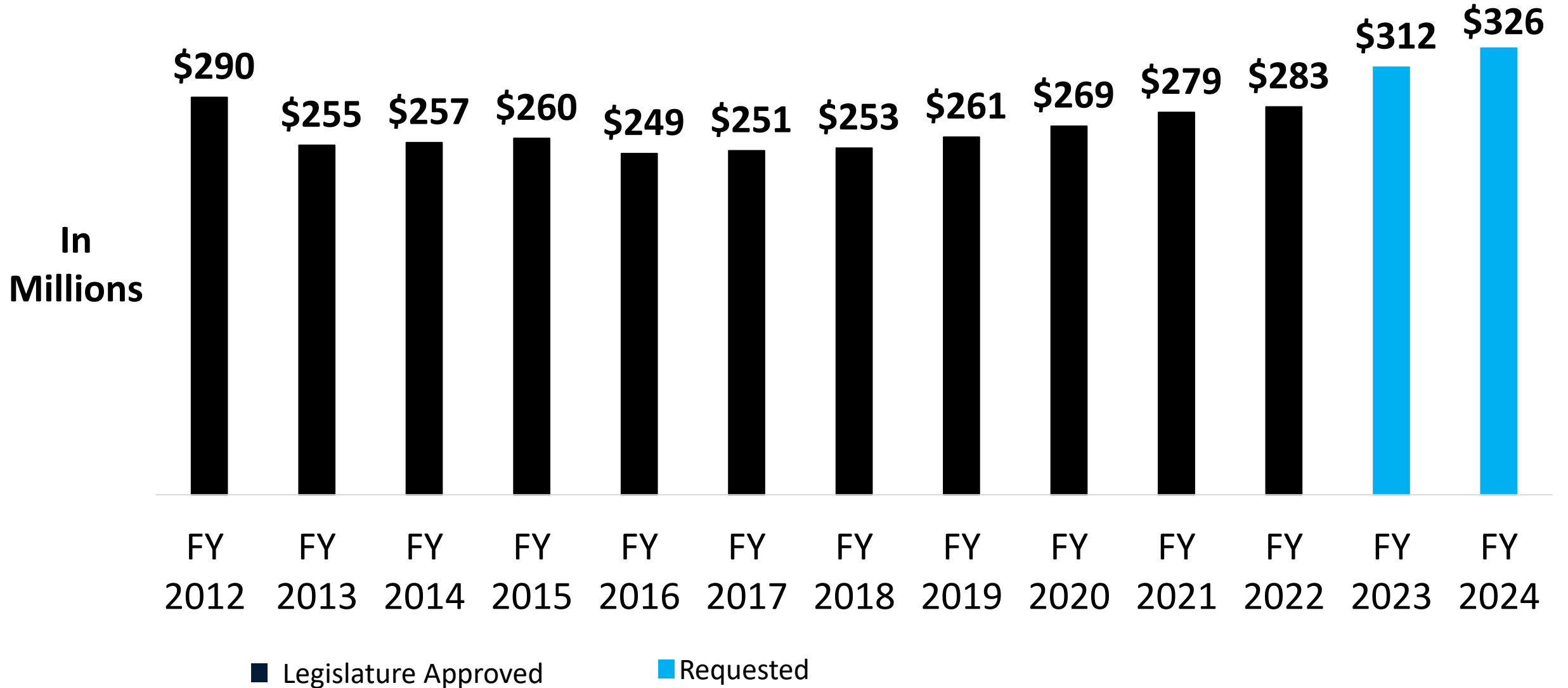
- Construction
- Contract Engineering Services
- Right of Way Purchases
- Utility Relocations

# FY 2023 Revised Budget

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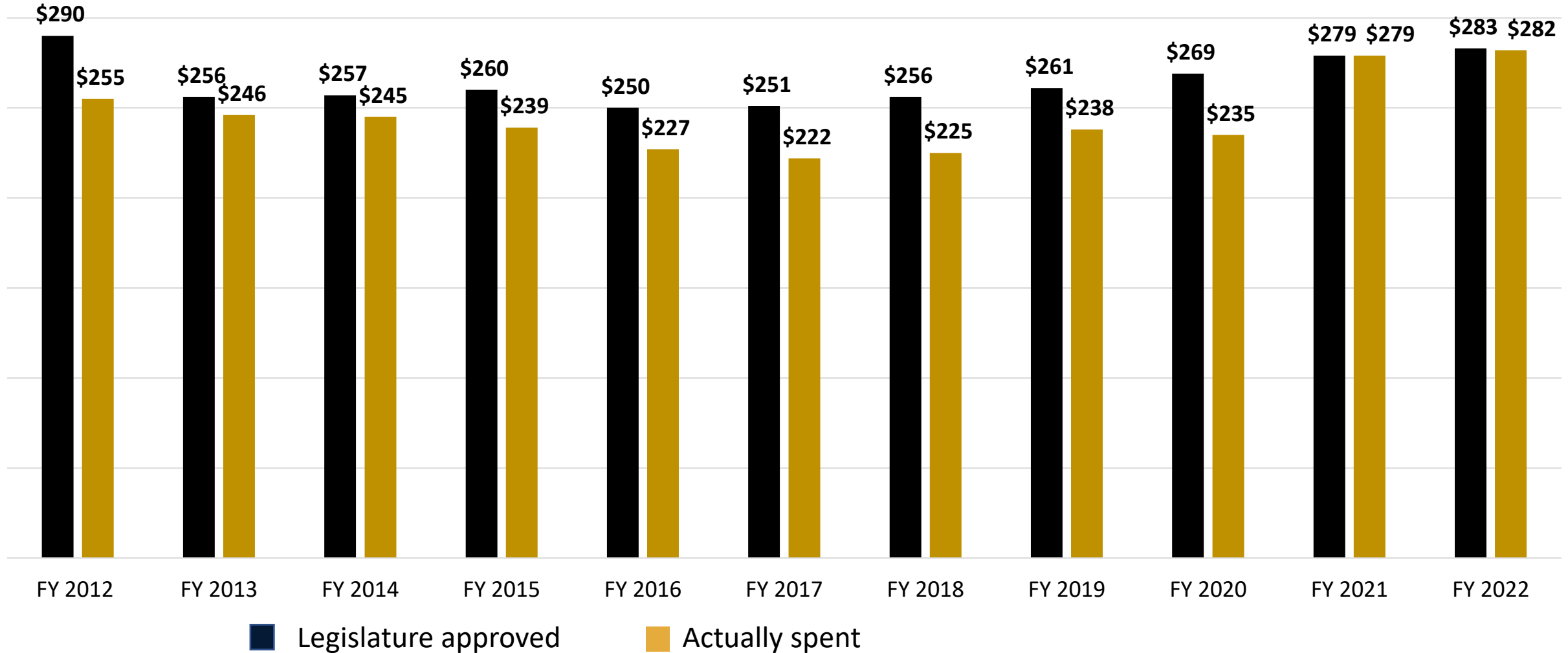
- Agency Operations: no total budget increase
  - Remain at approved limitation: **\$312M**
- Capital Improvements Supplemental
  - \$9M request from capital improvement accounts (no Agency Ops)
  - Costs for projects have increased almost 50%
  - Funds will allow approved projects to continue

# Agency Ops budget since FY 2012



# FY 2021 & FY 2022 – We’ve managed our budget much tighter

Agency Operations Budget by Fiscal Year

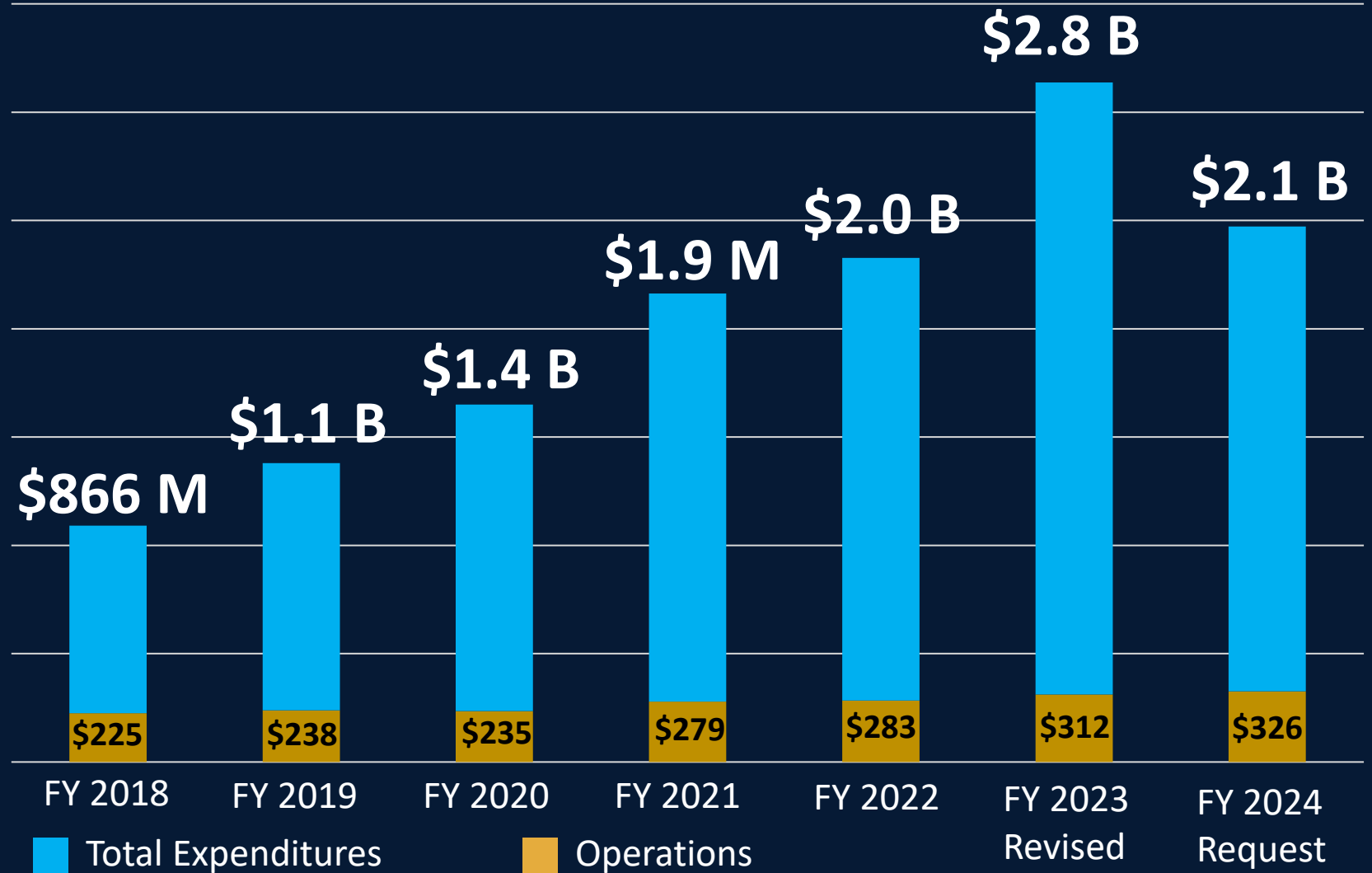




# Agency Ops held steady despite significant increase in construction work

## % Agency Ops of Total Budget

FY18	26%
FY19	21%
FY20	17%
FY21	15%
FY22	14%
FY23	11%
FY24	15%



# FY 2024 Agency Operations Budget

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**Need & Demand  
Driven**



**Salary & Wages**

**Change from FY 2023**

**\$8.1 million**      **5%**



**Contractual Services**

**\$1.8 million**      **2%**

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**Maintain or  
Restore funding  
levels & keep pace  
with cost increases**



**Commodities**

**<\$100K**      **0%**



**Capital Outlay**

**\$4.3 million**      **26%**



**Other Assistance**

**<\$100K**      **0%**

***\$14 million or 4.6% total increase from FY23***

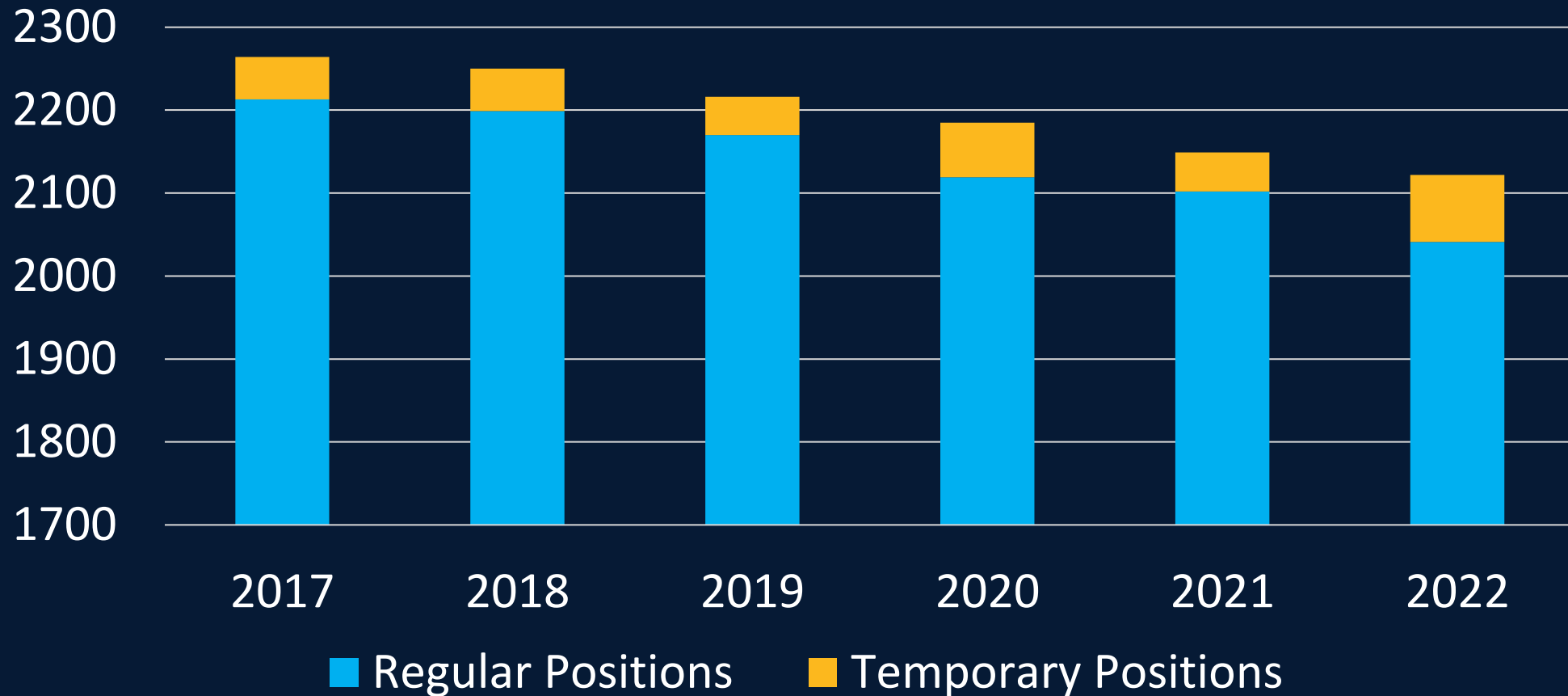


# Staffing remains our biggest challenge

## Workforce

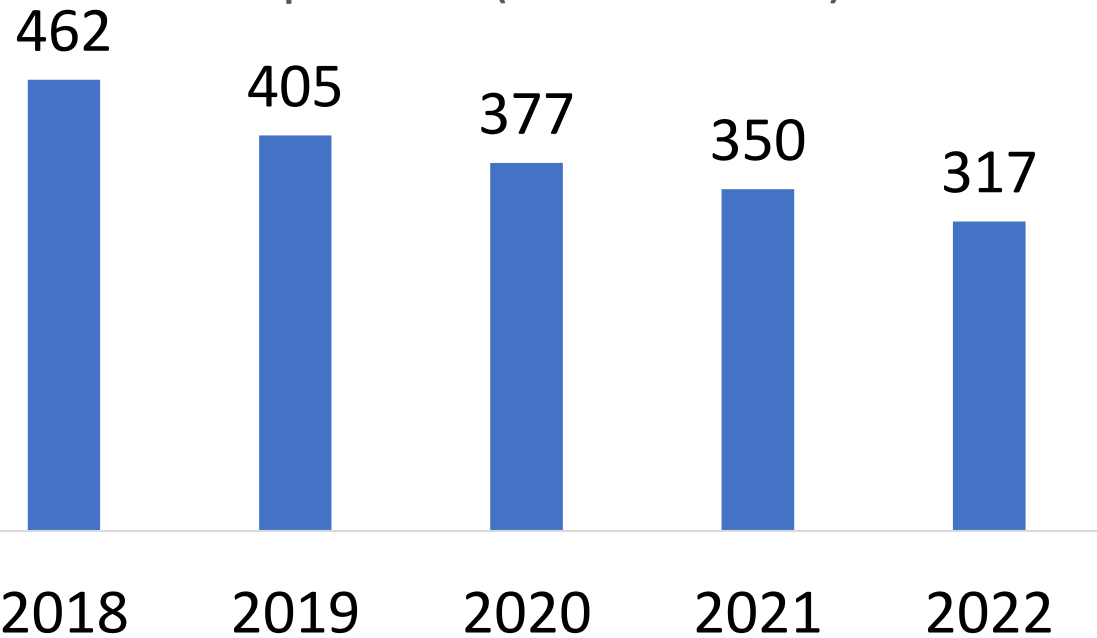


### KDOT Total Filled Positions By Year

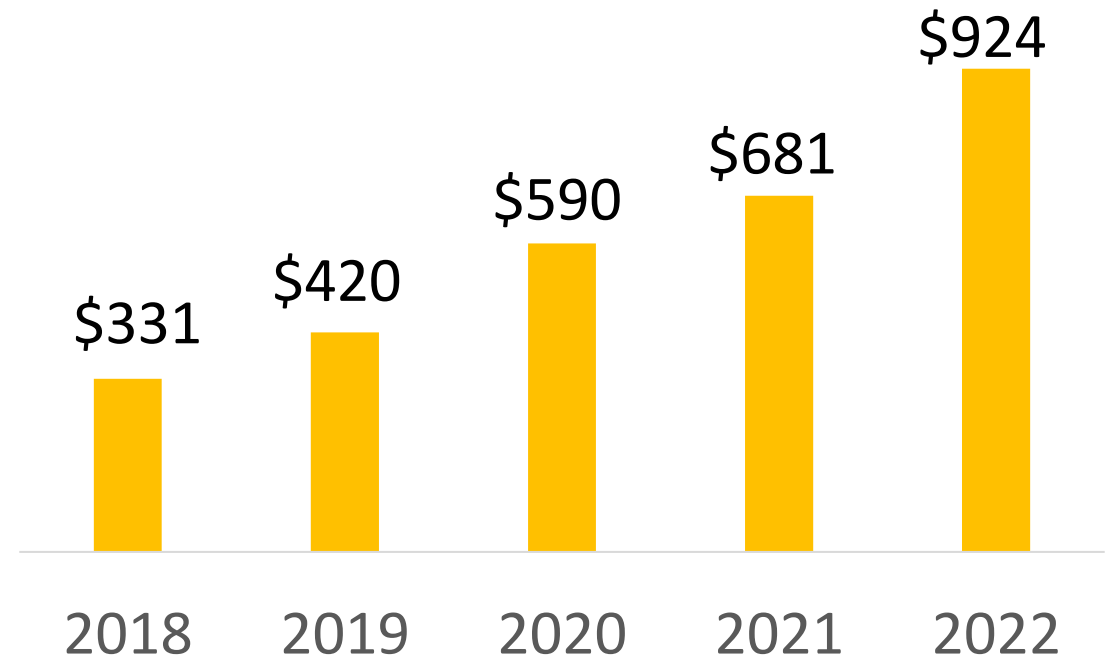


# Difficult to retain construction inspectors when we need them the most

Number of KDOT Construction Inspectors (ETs all levels)



Construction Lettings (millions)







# Targeted increase for over 1500 employees

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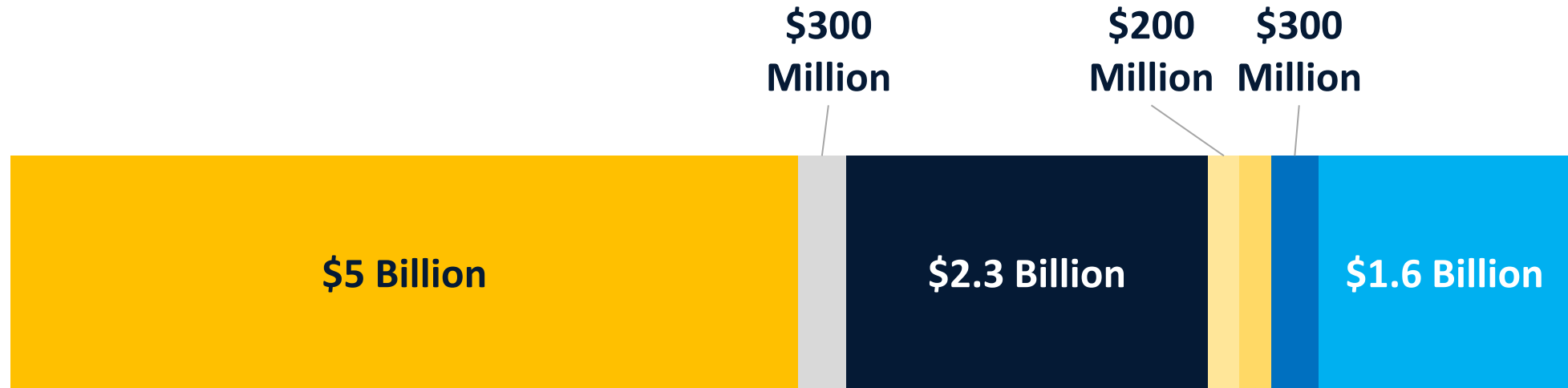
- **Focused on positions where data substantiated struggles to recruit and retain**
  - Positions with longer vacancy periods (Time to fill data)
  - High level of terminations for job classifications (Turnover data)
  - Low number of applicants for vacant positions
- **Work with other State Agencies**
  - Worked with KDHE and Dept of Ag to align the base rates for Engineers
- **Data pulled from:**
  - AASHTO (American Association of State Highway and Transportation Officials)
  - Surrounding state DOT's (Arkansas, Colorado, Iowa, Nebraska, New Mexico, Missouri, Oklahoma, & Wyoming)
  - Other state agencies
  - Kansas Turnpike Authority
  - Other market data



# Delivering IKE increases workload and expertise needed



**Original Estimate: \$9.9 Billion TOTAL**



- Preservation
- Modernization & Expansion
- Modes
- Special City County Highway Fund
- Preservation +
- Economic Development
- Cost Share, Safety & Local Bridge

*Note: Modernization & Expansion estimate does not include T-WORKS projects*

# **New Features of FY 2024 Budget**

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## **NEW:** Increase investments in Kansas airports

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- **Currently \$5M set aside for Kansas Airport Improvement Program (KAIP)**
  - Provides grants to public use airports
- **KDOT receives up to \$50M of requests for KAIP funds annually**
  - 138 public use airports
- **KDOT budget request increases investment to \$10M in FY 2023 and FY 2024.**
  - KDOT will evaluate need for this in future budgets

# Program Update

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# Update: Innovative Technology Program

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- Program Summary
  - Established by IKE Legislation
  - Provides financial assistance for projects that promote safety, improve access or mobility, or implement new transportation technology.
  - All transportation system projects are eligible (roadway, rail, aviation, Unmanned Aerial Systems, bicycle/pedestrian and public transit).
  - Requires 25% match
  - \$2M available annually; \$5M available in FY 2023



# Update: Innovative Technology Program

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- Current Status
  - 9 projects approved to date
- Planned improvements:
  - Hold a yearly in-person Innovative Technologies Summit to promote the program and provide a better understanding of the types of projects for which funding can be used.
  - Project concept review prior to application
  - Streamline application and contract process

# New Performance Management Tools

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# Existing pavement metrics didn't tell the whole story...



**Pavement can be smooth....**



**But crumbling underneath**

# The New Metric

Starts with the Federal metric: Surface Condition

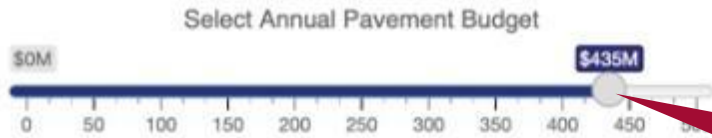
- International Roughness Index (IRI)
- Rutting
- Faulting
- Longitudinal Cracking

But also includes: Structural Integrity Indicators

- Transverse Cracking (asphalt)
- Joint Distress (concrete)

These structural integrity indicators that have long been in use at KDOT and a major factor in prioritizing preservation projects

STEP 1



STEP 2

Update Charts

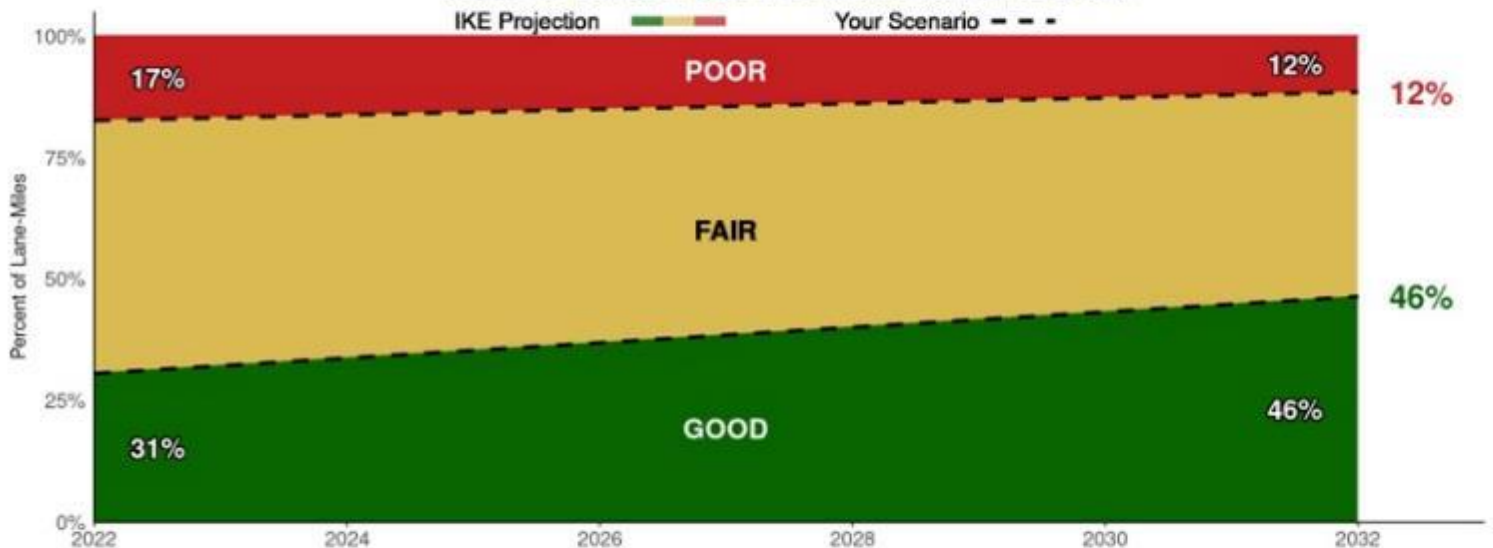
Click update the charts to see how changes to the budget impact system health and future costs

Adjust the annual budget

STEP 3

VIEW SYSTEM PERFORMANCE | VIEW BREAKOUT PERFORMANCE

### ALL PAVEMENT PERFORMANCE FORECAST



\*Filled area indicates performance based on today's funding assuming inflation outpaces revenue by 2%

### WHAT CHANGED?

#### FUTURE COSTS

↑ \$ 74 M/YR

INCREASE IN SPENDING (2021 USD) AFTER 10 YEARS REQUIRED TO ATTAIN IKE PERFORMANCE LEVELS

#### FUTURE % GOOD

↓ 4.4 %

% FEWER GOOD LANE-MILES AFTER 10 YEARS RELATIVE TO IKE

#### FUTURE % POOR

↑ 5.7 %

% MORE POOR LANE-MILES AFTER 10 YEARS RELATIVE TO IKE

### LET'S BREAK IT DOWN...

Submit your scenario to us to let us know how we should fund the system.

Different types of treatments are used to address pavements at different conditions. Light actions are used to fix good pavements, medium actions are used to fix fair pavements, and heavy actions are used to fix poor pavements. Heavy actions are more than five times more expensive than a light action. Given the selected annual budget, the breakdown of annual lane-miles fixed of the network is as follows:

SUBMIT YOUR SCENARIO

Build your own scenario at  
[Kansaspavement.com](https://www.kansaspavement.com)



# Performance Measures Dashboard:

[ksdotperformance.org](https://ksdotperformance.org)

## KDOT's Performance Measures Dashboard

KDOT's Division of Performance Management is focused on developing and implementing agency-wide performance measures which are aligned to the agency's vision, mission, and goals. The ongoing review and reporting of these measures will support the agency's decision making.



Click on goal



# Performance Measures Dashboard

## Asset Preservation

Address risks and maintain assets through investments that provide high value return and make best use of limited funds.

[Click on a task to view metrics.](#)



**KDOT 3-1: Provide cost-effective maintenance and rehabilitation to the state highway system using flexible, streamlined resources.**

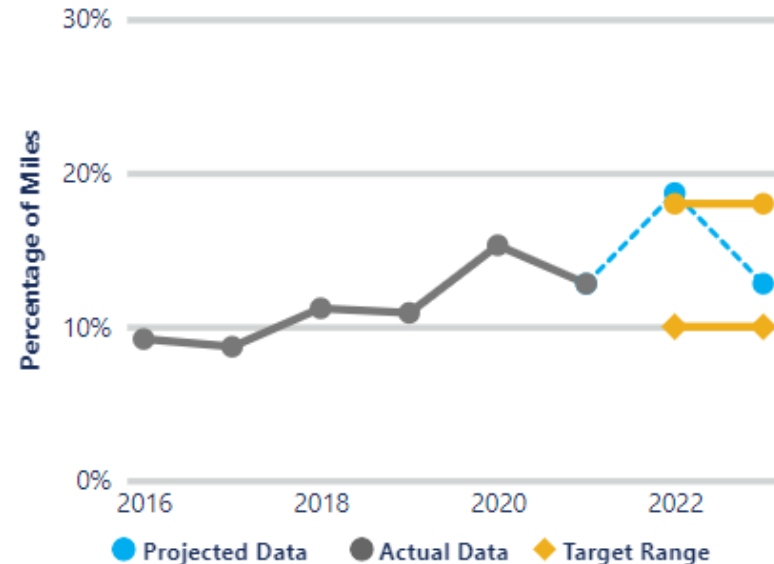
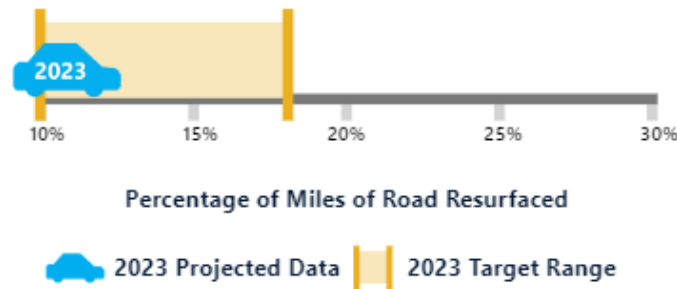
Date Updated  
7/22/2022

Percent Of Miles of Road Resurfaced

### Percent of Miles of Road Resurfaced ⓘ

Desired Trend →

Total Level of Service



**KDOT 3-2: Strategically prioritize road and bridge preservation investments to ensure best use of limited funds.**



Thank you